



First Annual

Federal Trade Commission & Northwestern University



Microeconomics Conference

FTC Conference Center
601 New Jersey Ave., NW
Washington, DC 20001

November 6-7, 2008

Sponsored by:

Bureau of Economics (FTC)
Searle Center on Law, Regulation and Economic Growth (Northwestern)
Center for the Study of Industrial Organization (Northwestern)

Thursday, November 6

- 9:00 a.m. **Welcome and Opening Remarks**
Michael Baye, Director of the Bureau of Economics, Federal Trade Commission
Chairman William Kovacic, Federal Trade Commission
- 9:10 a.m. **Introduction**
Scott Stern (Northwestern University)
The Market for Ideas
- 9:30 a.m. **Panel Session One, *Demand Estimation for Merger Cases***
Chair: Patrick Bajari (University of Minnesota)
Mike Vita (Federal Trade Commission)
Aviv Nevo (Northwestern University)
Gail Slater (Federal Trade Commission)
- 10:15 a.m. **Morning Break**
- 10:30 a.m. **Paper Session One, *Estimating Demand and Pricing Strategies***
Chair: Scott Stern (Northwestern University)
- Alan Sorensen (Stanford University), *The Welfare Effects of Ticket Resale*
 - Discussant: Mary Connolly Pray (Cornerstone Research)
 - Andrew Sweeting (Duke University), *Equilibrium Price Dynamics in Perishable Goods Markets: The Case of Secondary Markets for Major League Baseball Tickets*
 - Discussant: Ian Gale (Georgetown University)
 - Steve Puller (Texas A&M University), *Testing Theories of Price Dispersion and Scarcity Pricing in the Airline Industry*
 - Discussant: Nancy Rose (Massachusetts Institute of Technology)

12:00 p.m. **Lunch**

12:15 p.m. **Keynote Address**

Carl Shapiro (University of California, Berkeley)
An Economic Alternative to Market Definition

1:00 p.m. **Paper Session Two, *Field and Lab Experiments***

Chair: John List (University of Chicago)

- Stephan Meier (Columbia University), *Charging Myopically Ahead: Evidence on Present-Biased Preferences and Credit Card Borrowing*
 - Discussant: Robert Letzler (Federal Trade Commission)
- James Hilger (Federal Trade Commission), *Expert Opinion and the Demand for Experience Goods: An Experimental Approach in the Retail Wine Market*
 - Discussant: Robert Letzler (Federal Trade Commission)
- Cary Deck (University of Arkansas), *Price Discrimination with Sequential Purchasing: Theory and Experiments*
 - Discussant: Robert Letzler (Federal Trade Commission)
- Dean Karlan (Yale University), *Put Your Money Where Your Butt Is: A Commitment Savings Account for Smoking Cessation*
 - Discussant: Robert Letzler (Federal Trade Commission)

2:30 p.m. **Afternoon Break**

2:45 p.m. **Paper Session Three, *Economics of Antitrust***

Chair: Carl Shapiro (University of California, Berkeley)

- Michael Waldman (Cornell University), *Why Tie a Product Consumers Do Not Use? Explanations-efficiency, price discrimination, and exclusion*
 - Discussant: Patrick DeGraba (Federal Trade Commission)
- Minjae Song (University of Rochester), *Sleeping with the Enemy: Inter-firm Product Combinations*
 - Discussant: Wei Tan (State University of New York at Stony Brook)
- Christian Rojas (University of Massachusetts, Amherst), *The Role of Information and Monitoring on Collusion*
 - Discussant: Joseph Harrington (Johns Hopkins University)

4:15 p.m. **Panel Session Two, *Economics of Privacy and Internet Behavior***

Chair: Susan Athey (Harvard University)

Sue Glueck (Microsoft Corporation)

Amalia Miller (University of Virginia)

Pablo Chavez (Google)

Alessandro Acquisti (Carnegie Mellon University)

5:00 p.m. **Close**

6:30 p.m. **Dinner**

Friday, November 7

9:00 a.m. Keynote Address

Susan Athey (Harvard University)

Online Advertising

9:30 a.m. Paper Session Four, *Developments in Demand Estimation*

Chair: Patrick Bajari (University of Minnesota)

- Matthew Weinberg (University of Georgia), *An Evaluation of Merger Simulations*
 - Discussant: Matthew Osborne (Department of Justice)
- Jeremy Fox (University of Chicago), *Improving the Numerical Performance of BLP Static and Dynamic Discrete Choice Random Coefficients Demand Estimation*
 - Discussant: Denis Nekipelov (University of California, Berkeley)
- Katja Seim (University of Pennsylvania), *Beyond Plain Vanilla: Modeling Joint Product Assortment and Pricing Decisions*
 - Discussant: Minjung Park (University of Minnesota)

11:00 a.m. Morning Break

11:15 a.m. Paper Session Five, *Economics of Networks and the Internet*

Chair: Susan Athey (Harvard University)

- David Reiley (University of Arizona), *Retail Advertising Works! Measuring the Effects of Advertising on Sales via a Controlled Experiment on Yahoo!*
 - Discussant: Pai-Ling Yin (Massachusetts Institute of Technology)
- Anindya Ghose (New York University), *Modeling and Estimating the Relationship Between Organic and Paid Search Advertising*
 - Discussant: Loren Smith (Federal Trade Commission)
- Gunter Hitsch (University of Chicago), *Tipping and Concentration in Markets with Indirect Network Effects*
 - Discussant: Robin Lee (New York University)

12:45 p.m. Keynote Address

John List (University of Chicago)

Using Field Experiments to Explore Collusion in Markets

1:15 p.m. Close